

Ex-U.S. Envoy Tells Of '70 Offer to Chile

By Adolfo G. Merino
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The Nixon administration offered Chile "an incredibly generous economic package" in 1970 to enable the former government of Marxist President Salvador Allende to compensate three nationalized U.S.-based firms, it was learned yesterday.

The U.S. offer was disclosed by Edward Korry, former U.S. ambassador to Chile, who said Allende rejected it. Korry also said the United States refused a request from Allende for a \$1 million contribution to his 1970 presidential campaign.

Korry made the statement at an Aug. 15 seminar at Georgetown University. UPI obtained a copy of this statement in the wake of a disclosure that the Central Intelligence Agency secretly funded efforts to "destabilize" the Allende government.

President Ford, whom Monday acknowledged CIA activity in Chile, has called top congressional leaders to the White House today to discuss whether such covert operations should be abolished.

Korry indicated that Allende, who died in a military coup last year, received the offer from the United States in early 1971 after his government had nationalized the Chilean operations of three U.S.-based firms, International Telephone and Telegraph Corp. and two copper companies—Anaconda and Kennecott.

"To reach an accommodation," he said, "the U.S. offered Allende a deal which could only be described as the most incredibly generous package we have ever offered any government in an economic relationship."

He said Washington had proposed to underwrite Chilean bonds with "the full faith and credit of the American Treasury, if the Allende regime would negotiate a settlement with ITT and the two copper companies."

Korry said Allende rejected the offer "for ideological reasons," fearing that he would have lost support for his Marxist-Socialist government by accepting help from the United States.

Allende felt, Korry said, that if he accepted the deal—and he told me this himself—there would be no 'Chilean revolution'."

Korry said that during the 1970 Chilean presidential elections, the U.S. embassy was approached for contributions by "high-level fund-raisers" of all three candidates. He said Allende's fund-raiser asked for \$1 million.

"The U.S. government made no contributions to any of the candidates," he said. "This was a departure from the policy of the Kennedy and Johnson administrations which, during the campaign for the 1964 Chilean election, provided considerable support for the election of President (Eduardo) Frei."

Korry said the United States had infiltrated the leadership of Chile's Communist and Socialist parties. "We knew exactly what their intentions were toward U.S. investments when they came to power . . . but we were prepared to bend backwards to try to reach some kind of agreement with Allende," he said.

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